

Federal Energy Regulatory Commission
Office of Markets, Tariffs and Rates

Re: Fact-Finding Investigation of Potential
Manipulation of Electric and Natural Gas Prices

Docket No. PA02-2-000

The Commission has contracted with several outside experts to assist Commission Staff with its fact-finding investigation being conducted in this proceeding. On February 13, 2002, the Commission directed Staff to commence an investigation into whether any entity manipulated short-term prices for electric energy or natural gas in the West, or otherwise exercised undue influence over wholesale electric prices in the West, since January 1, 2000, resulting in potentially unjust and unreasonable rates in long-term power sales contracts subsequently entered into by sellers in the West. *See* Order Directing Staff Investigation, Docket No. PA02-2-000, 98 FERC ¶ 61,165 (2002).

The experts has been selected based on their experience in subject areas that Staff expects to investigate. Their names (in alphabetical order) and a brief statement of their qualifications follow:

- **Hendrik Bessembinder.** Dr. Bessembinder holds the Blaine Huntsman Presidential Chair in Finance at the David Eccles School of Business, University of Utah. He has a doctorate degree in Finance from the University of Washington. Dr. Bessembinder's areas of expertise include international financial management, derivative securities markets, transactions costs, market microstructure, risk pricing, and risk management.
- **Edward P. Kahn.** Dr. Kahn is a principal with Analysis Group/Economics. He has a doctorate degree from the University of California, Berkeley. Dr. Kahn's areas of expertise include electricity competition and regulation, including competitive market pricing and electric industry restructuring.
- **Robert S. Pindyk.** Dr. Pindyk is Mitsubishi Bank Professor of Applied Economics at the Sloan School of Management, Massachusetts Institute of Technology. Professor Pindyk is a leading industrial organization economist and an antitrust expert and litigation witness. He has previously consulted with the Federal Trade Commission, among other entities.
- **Chester S. Spatt.** Dr. Spatt is Mellon Bank Professor of Finance and Director of the Center for Financial Markets at the Graduate School of Industrial Administration, Carnegie Mellon University. He has a doctorate degree in Economics from the University of Pennsylvania. Dr. Spatt specializes in fixed-

income, commodity, and options valuation and hedging, and market microstructure.

- **Michael J. Quinn.** Dr. Quinn is a vice president with Analysis Group/Economics. He has a doctorate degree in Economics from Princeton University. Dr. Quinn specializes in the application of economics to issues in the natural gas and electricity industry, and he has served as an expert on matters involving natural gas transportation and distribution.

In addition to these individual experts, the Commission has contracted with the **Aspen System Corporation**, which specializes in large-scale electronic data retrieval and analysis.

Dated: April 23, 2002 (REVISED)